

Approved: _____
Date

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:00 a.m. on January 20 , 2000 in Room 254-E of the Capitol.

All members were present:

Committee staff present: Mary Galligan, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Judy Glasgow, Committee Secretary

Conferees appearing before the committee:

Donna Doolin, Ks Coalition of Problem Gamblers, St. Francis Hospital
Joyce Markham, Ks Coalition of Problem Gamblers, St. Francis Hospital
Andrea Martin, Individual
Betty Messman, Consumer Credit Counseling

Others attending: See attached sheet

Chairman Oleen recognized Senator Vratil. Senator Vratil introduced Jessica Corcoran, a junior at the University of Kansas who will be serving as his legislative assistant during this legislative session.

Senator Oleen introduced Travis Lenkner, a junior at Kansas State University, who will be serving as her legislative assistant this session.

Chairman Oleen announced that the committee would be hearing discussion on compulsive gamblers and called on members of the Kansas Coalition on Problem Gambling to address the committee.

Donna Doolin, was recognized by Chairman Oleen. Donna Doolin, President of Kansas Coalition on Problem Gambling, stated that she is also a certified compulsive gambling counselor affiliated with St. Francis Chemical Dependence Treatment Services of St. Francis Hospital and Medical Center. Ms. Doolin introduced the other members of the Coalition who would be addressing the committee. (Attachment 1)

Joyce Markham, certified compulsive gambling counselor and family therapist at St. Francis Chemical Dependence Treatment Services, stated that for 7% of all gamblers, gambling does become a problem and for 1-2%, gambling will result in compulsive behavior. She stated that there are two distinct populations that are of concern - adolescents and the elderly. Joyce Markham stated that gambling does not involve only the casinos and the lottery. Bankcards, internet gambling, sports betting and commodity and stock market speculation all have contributed to high rates of debts. She stated that it is time to respond to the negative consequences that problem gambling presents.

Andrea Martin, an individual, appeared before the committee detailing her encounter as a spouse of a compulsive gambler and how it affected the family, their children and herself. Andrea stated that finding treatment for her husband had been difficult because there are so few treatment centers available. Her husband was able to receive treatment through the St. Francis Chemical Dependency Treatment Center because he had insurance that would cover it. Andrea Martin stated that many people were not so fortunate and did not have insurance that would cover the treatment and could not afford it personally.

Betty Messman, a certified consumer credit counsel with Housing and Credit Counseling appeared before the committee. Betty Messman stated that Housing and Credit Counseling is aware of the relationship between problem gambling, debt consolidation and bankruptcy. She stated that efforts are being made locally and nationally to provide more education to counselors to handle problem gamblers when they come for help. Betty Messman ask the committee to consider legislation that will put a percentage of legalized gambling revenue into a dedicated fund to help finance treatment programs for problem gamblers and for prevention/education.

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL AND STATE AFFAIRS, Room 254-E Statehouse, at 11:00 a.m. on January 20, 2000.

Donna Dooling supplied statistics to the committee from the National Gambling Impact Study Commission on the impact of gambling on the United States. She also provided information on the number of people from Kansas who used the Texas toll-free number to request information for their gambling problem. Donna Doolin stated that the Kansas Coalition on Problem Gambling proposes the establishment of a funding mechanism for problem gambling treatment and prevention/education.

In response to questions from the committee members about the use of the Texas toll-free number and how people obtained this number, Donna Dooling stated that several states use this toll-free number, Kansas being one, and that the number is printed on Kansas Lottery scratch tickets. There are currently only two qualified gambling addition counselors in the Topeka area.

Mr. Martin spoke to the committee concerning his compulsive gambling and his treatment and the success of the treatment of the problem in response to several questions from the committee.

Chairman Oleen thanked the members of the Coalition for appearing before the committee and requested that Donna Dooling provide a list of the people and organizations that are participating in the Coalition on Problem Gambling for the members of the committee.

Chairman Oleen stated that she would like to have the committee look at **HB 2013** in regard to the provision concerning allocation of funding to problem gambling programs.

Chairman Oleen ask for action on committee minutes for January 18, 2000. Senator Becker moved to approve the minutes for January 18. Senator Biggs seconded the motion; the motion carried.

The meeting was adjourned at 12:10 p.m. The next regular meeting will be Tuesday, January 25,2000 at 11:00 a.m.

**SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
GUEST LIST**

DATE: JAN 20, 2000

NAME	REPRESENTING
Betty Messman	HOUSING: Credit Counseling INC.
Dorinda Kozlin	St. Francis Hosp. ^{Kans Coalition} on Problem Gambling
Glen Thompson	Stand Up For KS
Jayne Mackham	St. Francis ^{KS Coalition} on Problem Gambling
Archie Martin	St Francis on Prob Gambling
RC Longin	KDOR
Steve Parsons	KGC
Lynn Bruno	MGA
Anthony A. Fedak	AOA-Admin
R. Zimmak	R. Folley
Thomas Hoff	KS Lottery
Alan Steppert	HARRAH'S Entertainment
John Federico	HARRAH'S Entertainment
Jessica Concoran	Sen. Vratil

**TESTIMONY OF KANSAS COALITION ON PROBLEM GAMBLING
SPECIAL COMMITTEE ON FEDERAL AND STATE AFFAIRS
KANSAS LEGISLATURE
JANUARY 20, 2000**

Madam Chairperson and distinguished committee members, thank you for the opportunity to appear before you this morning. I am Donna Doolin, President of the Kansas Coalition on Problem Gambling. I am also a certified compulsive gambling counselor affiliated with St. Francis Chemical Dependency Treatment Services of St. Francis Hospital and Medical Center here in Topeka.

I would like to introduce other members of our Coalition present today who will help provide our testimony. They are Joyce Markham, who is also a certified compulsive gambling counselor and family therapist at St. Francis Chemical Dependency Treatment Services; Betty Messman, a certified consumer credit counselor with Housing and Credit Counseling; and Andrea, who will share with us the impact of compulsive gambling on her and her family.

Joyce, will now come forward to give us her testimony.

(Joyce) Again, thank you for giving us this opportunity.

The American dream today for many includes winning the lottery so that everything else will be "Easy Street."

As legalized gaming has expanded to 48 of the 50 states with the exceptions of Utah and Hawaii, states have found a "painless" way to increase state revenue without increasing taxes.

For most individuals, occasional gaming will not result in problem gaming any more than toast at a wedding party. But for 7% of all gamblers, gambling does become a problem for them and their families and the community at large. For 1-2% of the population, gambling will result in compulsive behavior that may result in suicide, bankruptcy, divorce, and loss of hopes and dreams.

There are two distinct populations that are of concern—adolescents and the elderly. If young people begin gambling as teenagers, they are two times more likely to become problem gamblers as adults. We can learn from the experience of other states which have had many years of experience in dealing with this problem. Many of these states have prevention/education programs as a part of school curricula, not after their students' scholarships have been gambled away.

Another concern is for the elderly population who have the time, yet limited resources to enjoy gambling. Unfortunately, this population does not have the time nor ability to recoup their losses after their money is gone. In all too many cases, retirement funds, bank accounts, their homes and family members' savings are all depleted to pay gambling debts.

Gaming is recognized as a hidden problem until the problem progresses to devastating levels.

Since 1996, 22 clients have entered St. Francis Gambling Treatment program. That figure does not include those who asked for help but could not afford to pay for the treatment program. Insurance companies, for the most part, will not pay for \$1,500 to \$2,000 cost of treatment for problem gambling.

I worry about the lady with 5 children who could not go outside to play in their yard because they could not afford to have their sewer line repaired. This family owed \$25,000 in credit card bills due to gambling. Another is the elderly gentleman who sold his family farm that had been in the family for generations. Other problem gamblers are selling drugs to make money to go gambling. Yet another man lost a 25 year marriage because of the debt he created from \$1.00 scratch tickets which rolled over into \$12,000 in debt. He thought about suicide believing that his family would at least have the insurance money to pay off his debts.

Gambling does not involve only the casinos and the lottery. Internet gambling, sports betting, and commodity and stock market speculation all have contributed to high rates of debt, bankruptcies, legal problems, divorces, insurance fraud, theft, medical costs and suicides. These problems have an impact all of us as taxpayers and as caring human beings who pay for social services and jail facilities for many of the victims of legalized gambling.

As a state, we have enjoyed the gross "profit" of legalized gambling without counting the cost of human misery, bankruptcies, divorces, uncollectable debts and suicides. We now need to respond to the negative consequences that problem gambling presents to many of our fellow citizens and families.

I am now pleased to introduce Andrea who will share with you about the impact of compulsive gambling on her and her family. (Andrea's testimony)

(Joyce) Thank you, Andrea, for having the courage to share this important message with our legislators. I would now like to introduce Betty Messman.

I am Betty Messman, a certified consumer credit counselor with Housing and Credit Counseling.

Over the past decade, gambling opportunities have expanded. During this same period progress in convenience banking, computers, electronics, direct-mail marketing and telecommunications have expanded, creating opportunities for businesses, government and consumers.

These advancements have at times placed the problem gambler at a greater risk by making it increasingly easy for people that gamble to obtain credit, overextend finances and ultimately file bankruptcy.

Some problem gamblers look at gambling as their way out of debt or their stressful financial situation.

“If I can win the jackpot, all my problems will be solved.”

The National Council on Problem Gambling has published a survey that ascertains that problem gamblers are more likely to bounce checks, borrow money from a loan shark, miss insurance payments, obtain cash withdrawals on credit cards, sell personal property, cash in stocks or bonds, borrow from a spouse, partner or relative, charge one or more credit cards to the limit, have a second mortgage or home equity loan or take out a bank loan.

Bankruptcy rates are up across the country and Kansas, and this year ahead will be no exception.

Housing and Credit Counseling is aware of the relationship between problem gambling, debt consolidation and bankruptcy when assisting clients. Efforts are being made locally and nationally to provide more education to our counselors to handle problem gamblers when they come to us for help.

There are many stories to tell you of clients losing their homes, utilities being shut off, no money for food, and much more because some of our most vulnerable citizens have chosen to spend their money on gambling.

Housing and Credit Counseling has become involved in our community by joining the Kansas Coalition on Problem Gambling. Our goal is to provide the best counseling to help with the problem gamblers' finances and also to promote prevention education in the communities we serve.

Housing and Credit Counseling believes that gambling, like credit, when handled in moderation is not a problem. It is when it gets out of control that it becomes a problem, not just for our families but for our community as well.

I am here today to request that this Special Committee consider legislation that will put a percentage of legalized gambling revenue into a dedicated fund to help finance treatment programs for problem gamblers and for prevention/education. Thank you.

(Donna) Betty, thanks for you testimony.

(Donna) You have heard testimony about the problem. I would like to make this addition to our problem statement by sharing with you some statistics we recently received. The National Gambling Impact Study Commission has been studying the impact of gambling on the United States. In a survey of Gamblers Anonymous, 31% said they lost or quit a job because of gambling; 72% missed time from work due to gambling; This represents 9.8 hours a month or 117.6 hours a year for an average for the 394 gamblers in the survey. In addition, 40% said they stole from employers. When asked about stolen money, 223 out of the 394 Gamblers Anonymous members admitted to stealing to finance their gambling. In all, they stole \$30,065,812 or an average of \$76,309 (four stole over \$1 million dollars each). That \$30 million stolen is more than all states spent on treatment nationwide.

In another study, it is reported every person who become a problem gambler costs society about \$3,000 a year. The costs included unemployment benefits and money employers must spend to recruit and train new workers to replace someone fired because of gambling. Researchers from the University of Chicago's National Opinion Research Council found that about 4 million people are problem gamblers who had lost \$100 or more in a single day or year and had at least 3 adverse effects from gambling, such as job loss. In terms of personal costs, the study found that 75% of the surveyed problem gamblers stated they wanted to die; 66% contemplated suicide; 47% had a definite plan to kill themselves; 18% made potentially lethal suicide attempts; e.g., slashed wrists, driving a car into a bridge or abutment at high speed, or pills taken before someone unexpectedly prevented them from taking effect.

The most recent survey results we received just yesterday came from the Texas Council on Problem Gambling. A total of 64 people from Kansas have used the Texas toll-free number to request information about and help for their gambling problem. 47% were males, 53% were females with 64% calling about themselves and 29% calling about a family members such as a spouse, adult child, sibling or parent. The largest percentages in age cohorts were 27% for ages 25-44, 27% for ages 45-54, 11% for ages 55-64 and 5% for over 65.

The most problematic gambling activity was 88% for casino gambling and 6% for lottery. Callers came from the the following Kansas communities: Augusta, Blue Rapids, Bonner Springs, Colby, Emporia, Galena, Great Bend, Holton, Hope, Horton, Iola, Lawrence, Lenexa, Louisburg, Marquette,, Mayetta, Mayfield, New Cambra, Olathe, Overland Park, Pittsburg, Shawnee, Westwood, and Wichita. The highest percentage of callers came from Topeka with 20%, Kansas City with 17%, Lawrence with 5%, Overland Park with 5%, and Wichita with 6%.

Now, that we have firmly established the problem, we need to look at solutions. The Kansas Coalition on Problem Gambling proposes the establishment of a funding mechanism for problem gambling treatment and prevention/education. It is our understanding that the highest threshold for state gaming revenue annually is set at \$50 million. Any revenue in excess of this amount automatically goes into the general fund. Last year, since gaming revenues were approximately \$60 million which under the formula returned around \$10 million to the general fund. We are proposing that the State of Kansas dedicate \$500,000 annually out of revenues in excess of the \$50 million for problem gambling treatment and prevention/education. We further propose that 60% of these funds or \$300,000 be committed to providing treatment services for problem gamblers, and \$200,000 for prevention/education.

At a cost of \$1,500 for problem gambling treatment, this \$300,000 would provide services to approximately 200 problem gamblers annually. The remaining \$200,000 for prevention/education would provide for a toll-800 number for problem gambling information and assistance; some administrative funds for a coordinator and administrative assistant; establishment of a resource library with school prevention curricula, videos, and prevention print materials, development and duplication of public service announcement for television, radio, and print media.

We further propose that Social and Rehabilitation Services be designated as the state department responsible for contracting for and monitoring of this treatment and prevention/education program. SRS has a history of providing funding and oversight for substance abuse treatment and prevention programs, so we believe SRS would be the logical choice as the state agency responsible for the problem gambling treatment and prevention programs.

We hope you give this growing problem your most serious concern and attention. We have an opportunity now to help stem the rising tide of problem gambling in our state. Please help us help some of our most vulnerable citizens who are either now or in the future will be caught in the web of problem gambling that our state has now made more accessible.

Thanks for giving us the opportunity to share our concerns and hopes with you today.

Contact person:

Donna Doolin, LSCSW, President
Kansas Coalition on Problem Gambling, Inc.
C/O Chemical Dependence Treatment Services
St. Francis Hospital and Medical Center
1700 SW 7th Street
Topeka, KS 66606-1690
785-295-8358